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CURRENT SERIAL RECORDS

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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
March 1967

Volume 11

Number 8

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

REGIONAL HEARINGS SCHEDULED

The United States Department of Agriculture has announced it will hold regional public hearings to review the nationwide level of fluid milk (Class I) prices paid dairy farmers under 70 Federal Milk Marketing Orders. The hearings are being held at the request of dairy farmer representatives, numerous dairy farmers and some milk dealers. Four area-wide hearings are scheduled: April 11, Denver (12 markets); April 12, St. Louis (32 markets, including Nashville); April 13, Cleveland (17 markets, including Chattanooga and Knoxville) and April 14, Washington (9 markets). The hearing at St. Louis will be a reopening of a hearing held at Kansas City in January and February.

MARKET SUMMARY - MARCH 1967

The Order MINIMUM uniform producer prices per cwt. f.o.b. Chattanooga Area pool plants for milk testing 3.5% are: Base Milk \$5.54, Excess Milk \$3.33. The producer butterfat differential is 8.2 cents for each one-tenth of one percent above or below 3.5 percent. This is a base price increase of \$0.54 per cwt. and an excess price increase of \$0.29 per cwt. over March 1966.

During March 79.1% of the total producer milk was priced in Class I at \$5.92 per cwt. with a butterfat differential of 8.6 cents and 20.9% priced in Class II at \$3.37 per cwt. with a butterfat differential of 7.6 cents. The daily average use of Gross Class I increased 5.9% compared with February 1967 and decreased 1.5% compared with March 1966.

The daily average producer deliveries was 602,753 pounds in March 1967, an increase of 43,968 pounds per day compared with February 1967 and a decrease of 34,595 pounds compared with March 1966. Percentage-wise, March deliveries increased 7.9% compared with February 1967 and decreased 5.4% compared with March 1966. Base milk was 91.9% and excess milk was 8.1% of the total producer deliveries. All excess milk and 13.9% of base milk was priced in Class II and 86.1% of base milk was priced in Class I.

LABORATORY ACTIVITIES - Producer Fresh Milk Tests 4,666 - Handler Finished Products 225. During March an average of 8.3 samples per producer was used to determine butterfat content and pay test. Other samples were used by the plants and various agencies to determine sediment, bacteria, solids-not-fat, antibiotics, etc.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Mar. '67 Over Mar. '66	Mar. 1967	Feb. 1967	Mar. 1966
Number of Plants (Pool and Non-Pool)		9	9	11
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk - Base	- 7.7	554,123	-	600,154
- Excess	+ 30.7	48,630	-	37,194
- Total	- 5.4	602,753	558,785	637,348
Other Source	+ 1.1	24,493	15,172	24,219
Other Federal Orders	+ 454.6	52,794	49,355	9,519
Total Milk Receipts	+ 1.3	680,040	623,312	671,086
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	- 10.8	375,944	380,579	421,697
Regular Skim	- 1.5	17,229	17,238	17,496
Special Skim - 2%	+ 232.6	35,857	32,341	10,782
Buttermilk	- 2.1	42,110	41,416	42,999
Flavored Milk and Drink	- 10.2	12,175	11,633	13,557
Fluid Cream (Sweet and Sour)	- 2.4	3,030	2,995	3,104
Other (Shrinkage, Inventory, etc.)		1,121	1,638	973
Transfers to Non-Pool Plants		31,406	2,158	16,239
Total Class I Milk	- 1.5	518,872	489,998	526,847
Class II Uses:				
Ice Cream Mixes		35,427	31,082	48,225
Cottage Cheese		34,201	32,013	29,288
Powdered and Condensed Milk		48,663	12,128	33,206
Livestock Feed and Skim Dumped		6,148	6,121	6,479
Shrinkage Class II		11,661	10,669	10,488
Other (Butter, Inventory, etc.)		6,160	(3,951)	5,327
Transfers to Non-Pool Plants		18,908	45,252	11,226
Total Class II Milk	+ 11.7	161,168	133,314	144,239
Class I Pounds in Marketing Area	- 1.3	308,006	313,089	312,007
Class I Pounds Outside Marketing Area	- 1.8	210,866	176,909	214,840
% Producer Milk of Gross Class I		116.2	114.0	121.0
% Producer Milk priced in Class I		79.1	80.8	81.2

APRIL 1967 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per \$ 1090.51(a)</u>	<u>Apr. '67</u>	<u>Mar. '67</u>	<u>Apr. '66</u>
Basic Formula	\$4.15	\$4.15	\$3.68
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.04	0.02	0.02
Class I Price, 3.5% Butterfat	\$5.94	\$5.92	\$5.45

Supply-Demand Comparison: 1st and 2nd preceding months: February and March
 Supply: Lbs. Producer Milk (Feb. 15,645,971 and Mar. 18,685,331) 34,331,302
 Demand: Lbs. Net Class I Milk (Feb. 13,538,487 and Mar. 15,873,534) 29,412,021
 Utilization Percentage: Producer milk divided by Class I 117
 Standard Utilization Percentage: Range 119-123 119
 Net Deviation Percentage: Utilization minus Standard Utilization Minus 2
 Supply-Demand Adjustment: 2 cents x 2 percentage points Plus \$0.04

Since the supply in relation to the demand is less than the desired standard, the price is increased 4 cents per hundredweight (2 cents x 2 percentage points).

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

MARCH 1967	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		16,085,042	3.461		
Less Other Source		1,295,790	3.151		
Producer Milk Class I	79.1	14,789,252	3.488080	\$5.909749	\$ 874,007.67
Gross Class II		4,996,196	5.414		
Less Other Source		1,100,117	3.211		
Producer Milk Class II	20.9	3,896,079	6.036556	5.297783	206,405.81
TOTAL PRODUCER MILK (Cl. I + Cl. II)	100.0	18,685,331	4.019463		\$1,080,413.48
Add Fractional Adjustment					.07
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		102,975			4,518.77
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					8,456.64
TOTAL VALUE AT TEST		18,788,306	4.006854	\$5.819519	\$1,093,388.96
Less Test over 3.5% @ 8.2¢ per point		18,788,306	.506854	.415620	78,087.96
TOTAL UTILIZATION VALUE AT 3.5%		18,788,306	3.5	\$5.403899	\$1,015,301.00
Less Reserve Per \$1090.71(f)		18,788,306		.043899	
WEIGHTED AVERAGE PRICE - 3.5% TEST		18,788,306	3.5	\$5.36	
Less FMP from Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		102,975	3.5	\$5.36	5,519.46
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		18,685,331	3.5		\$1,009,781.54
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		1,507,527	\$3.37	\$50,803.66	
Total Value of Excess Milk		1,507,527	3.37	50,803.66	
Less Prod.-Settlement Fund Reserve @ 4¢		1,507,527	.04		603.01
UNIFORM EXCESS PRICE - 3.5% TEST		1,507,527	\$3.33		\$ 50,200.65
Total Value of Base Milk		17,177,804	5.582657		958,977.88
Less Producer-Settlement Fund Reserve		17,177,804	.042657		7,327.54
UNIFORM BASE PRICE - 3.5% TEST		17,177,804	\$5.54		\$ 951,650.34

MARCH 1967 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$5.13	\$2.92	4.0	\$5.95	\$3.74	5.0	\$6.77	\$4.56
3.05	5.171	2.961	4.05	5.991	3.781	5.05	6.811	4.601
3.1	5.212	3.002	4.1	6.032	3.822	5.1	6.852	4.642
3.15	5.253	3.043	4.15	6.073	3.863	5.15	6.893	4.683
3.2	5.294	3.084	4.2	6.114	3.904	5.2	6.934	4.724
3.25	5.335	3.125	4.25	6.155	3.945	5.25	6.975	4.765
3.3	5.376	3.166	4.3	6.196	3.986	5.3	7.016	4.806
3.35	5.417	3.207	4.35	6.237	4.027	5.35	7.057	4.847
3.4	5.458	3.248	4.4	6.278	4.068	5.4	7.098	4.888
3.45	5.499	3.289	4.45	6.319	4.109	5.45	7.139	4.929
3.5	5.54	3.33	4.5	6.36	4.15	5.5	7.18	4.97
3.55	5.581	3.371	4.55	6.401	4.191	5.55	7.221	5.011
3.6	5.622	3.412	4.6	6.442	4.232	5.6	7.262	5.052
3.65	5.663	3.453	4.65	6.483	4.273	5.65	7.303	5.093
3.7	5.704	3.494	4.7	6.524	4.314	5.7	7.344	5.134
3.75	5.745	3.535	4.75	6.565	4.355	5.75	7.385	5.175
3.8	5.786	3.576	4.8	6.606	4.396	5.8	7.426	5.216
3.85	5.827	3.617	4.85	6.647	4.437	5.85	7.467	5.257
3.9	5.868	3.658	4.9	6.688	4.478	5.9	7.508	5.298
3.95	5.909	3.699	4.95	6.729	4.519	5.95	7.549	5.339

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar. '66	\$4.89 ^{2/}	\$5.00	\$3.04	7.8¢	\$5.33	8.0¢	\$3.08	7.3¢
Apr.	4.85 ^{2/}	5.06	3.00	7.8	5.45	8.2	3.04	7.2
May	4.79 ^{2/}	4.97	3.02	8.0	5.45	8.2	3.06	7.3
June	4.87 ^{2/}	5.01	3.08	8.0	5.45	8.3	3.12	7.6
July	5.28 ^{2/}	5.44	3.24	8.4	5.767	8.6	3.28	8.2
Aug.	5.27	-	-	9.0	5.84	9.3	3.49	8.4
Sept.	5.66	-	-	9.4	5.87	9.5	4.25	8.6
Oct.	5.65	-	-	9.2	6.01	9.7	3.99	7.9
Nov.	5.68	-	-	8.6	6.09	8.9	3.95	7.8
Dec.	5.65	-	-	8.4	6.07	8.8	3.90	7.6
Jan. '67	5.62	-	-	8.2	6.09	8.6	3.90	7.6
Feb.	5.50	-	-	8.2	6.05	8.6	3.37	7.6
Mar.	5.36 ^{2/}	5.54	3.33	8.2	5.92	8.6	3.37	7.6
Apr.	-	-	-	-	5.94	8.6	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS				Basic Formula \$-cwt-3.5%
	4 Tenn.	Butter	4 Tenn. Milk Mfg.	Butter	Chi.Area Powder	Minn/Wisc. Mfg. Milk	
	Milk Mfg.	Powder	\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%	
Mar. '66	3.08	3.39	3.450	63.40	14.81	3.68	3.68
Apr.	3.04	3.48	3.400	62.80	16.02	3.64	3.64
May	3.06	3.55	3.425	63.54	16.70	3.65	3.65
June	3.12	3.65	3.500	65.99	16.81	3.82	4.00
July	3.28	4.02	3.688	71.19	18.83	4.05	4.05
Aug.	3.49	4.17	3.913	73.05	19.63	4.26	4.26
Sept.	3.55	4.25	3.981	74.88	19.73	4.34	4.34
Oct.	3.57	3.99	3.969	68.80	19.64	4.26	4.26
Nov.	3.52	3.95	3.913	67.70	19.74	4.15	4.26 ^{4/}
Dec.	3.50	3.90	3.881	66.49	19.58	4.14	4.26 ^{4/}
Jan. '67	3.47	3.90	3.850	66.47	19.57	4.08	4.26 ^{4/}
Feb.	3.37	3.86	3.750	66.47	19.46	4.02	4.15 ^{4/}
Mar.	3.37	3.86	3.750	66.46	19.48	4.01	4.15 ^{4/}

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}			Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----	Pounds	
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base Exc.	
Mar. '66	11	671,086	526,847	517,608	637,348	600,154	660	966	909 57	4.06
Apr.	11	726,873	528,830	522,390	686,157	617,814	653	1,051	946 105	3.93
May	11	709,820	498,267	492,037	669,259	606,628	646	1,036	939 97	3.95
June	11	664,459	492,255	477,148	624,721	579,064	642	973	902 71	3.90
July	9	606,531	461,978	450,482	558,984	520,301	601	930	866 64	3.89
Aug.	9	627,073	467,668	460,875	602,478	-	602	1,001	- -	3.87
Sept.	9	669,440	573,722	549,013	617,915	-	591	1,046	- -	3.95
Oct.	9	641,779	534,469	499,096	585,436	-	575	1,018	- -	4.15
Nov.	9	621,225	507,725	474,427	565,267	-	571	990	- -	4.20
Dec.	10	642,424	511,500	476,665	575,620	-	572	1,006	- -	4.22
Jan. '67	9	645,961	508,383	468,006	581,714	-	568	1,024	- -	4.21
Feb.	9	623,312	489,998	451,595	558,785	-	550	1,016	- -	4.15
Mar.	9	680,040	518,872	477,073	602,753	554,123	562	1,073	986 87	4.02

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I^{4/} Basic Formula "floor" per Order Amendment, December 1, 1966